

Remarks

The Office Action mailed September 8, 2006 has been carefully reviewed and the following remarks are submitted in consequence thereof.

Claims 1-16 are pending in this application. Claims 1-15 stand rejected. Claim 16 is newly added. No new matter has been added and no fee is necessary for newly added Claim 16.

The rejection of Claims 1-15 under 35 U.S.C. § 102(b) as being anticipated by Tarter et al. (U.S. Patent No. 5,550,734) (hereinafter referred to as "Tarter") is respectfully traversed.

Applicants respectfully submit that Tarter does not describe nor suggest the claimed invention. As discussed below, Tarter does not describe nor suggest a method including identifying a milestone for each loan included within a portfolio at a selected time of assessment wherein the milestone relates to a status of the corresponding loan, segmenting the loan portfolio based on at least one characteristic assigned to each loan, determining planned collections for each loan for the selected time of assessment, determining actual collections for each loan for the selected time period of assessment, populating a spreadsheet identifying a current milestone and a cumulative variance between planned collections and actual collections at the current milestone for the loan, and determining a contribution of a portfolio segment to an overall cumulative loan portfolio variance.

Specifically, Tarter does not describe or teach identifying a milestone for each loan included within a portfolio at a selected time of assessment or segmenting a loan portfolio based on at least one characteristic assigned to each loan. Rather, Tarter describes at col. 11, lines 40-44, capturing, by a finance provider, all on-line transactions in a system as they are originated by service providers. Specifically, Tarter describes accessing information regarding insurance claims and accounts receivable held by the service provider. The finance provider then decides whether to purchase the claims or accounts receivable based on payment histories and creditworthiness of a payor to the claim. Accordingly, in contrast to the presently claimed invention, the claims and accounts receivable are identified based on an overall credit history of the payor, and are not identified based upon a milestone that represents a status of the claim. Moreover, in contrast to the presently claimed invention, the

claims and accounts receivable are not segmented based upon a characteristic of the claim. Therefore, Tarter does not describe nor teach identifying a milestone for each loan included within a portfolio at a selected time of assessment or segmenting a loan portfolio based on at least one characteristic assigned to each loan. Applicants submit that by merely describing a process that selects an insurance claim or account receivable for purchase does not describe nor teach a process that includes identifying a milestone for each loan included within a portfolio at a selected time of assessment or segmenting a loan portfolio based on at least one characteristic assigned to each loan.

Further, Tarter does not describe or teach populating a spreadsheet identifying a current milestone and a cumulative variance between planned collections and actual collections at a milestone for a loan or determining a contribution of a portfolio segment to an overall cumulative loan portfolio variance. Rather, Tarter describes at col. 10, lines 63-67, tracking the receipt of payments, aggressively pursuing unreceived payments, and reconciling claims when payment is received. Specifically, Tarter merely describes a system that tracks payments for the finance provider. Applicants submit that by merely describing a process of tracking and reconciling payments does not describe nor teach a process that includes populating a spreadsheet identifying a current milestone and a cumulative variance between planned collections and actual collections at a milestone for a loan or determining a contribution of a portfolio segment to an overall cumulative loan portfolio variance. Accordingly, for at least the reasons given above, Applicants respectfully submit that the present patent application is patentable over Tarter.

Tarter describes a system that enables service providers to finance claims and accounts receivable. Specifically, Tarter describes a computerized system that both a service provider and a finance provider have access to. The system identifies insurance claims and accounts receivable belonging to the service provider and notifies the finance provider of these claims. More specifically, Tarter describes at col. 11, lines 40-44, capturing, by the finance provider, all on-line transactions in a system as they are originated by service providers. The system then decides which, if any, of the claims or accounts receivable should be financed by the finance provider. Specifically, the system checks the payment histories and the creditworthiness of the payor to each claim. Based upon the payor's credit history, the system determines which claims or accounts should be financed by the finance provider. The finance provider then pays the claims or accounts for the service provider using the

system. Accordingly, relevant payors are notified by the system that future payments are to be made to the finance provider. Further, the system, on behalf of the finance provider, and as described at col. 10, lines 63-67, tracks the receipt of payments from the payor, aggressively pursues unreceived payments, and reconciles the claims when payment is received.

Notably, Tarter does not describe nor suggest identifying a milestone for each loan included within a portfolio at a selected time of assessment, segmenting a loan portfolio based on at least one characteristic assigned to each loan, populating a spreadsheet identifying a current milestone and a cumulative variance between planned collections and actual collections at a milestone for a loan, and/or determining a contribution of a portfolio segment to an overall cumulative loan portfolio variance.

Claim 1 recites a method for assessing a loan portfolio comprising a plurality of loans, each loan having at least one characteristic assigned thereto, wherein the method comprises the steps of "identifying a milestone for each loan included within the portfolio at a selected time of assessment, wherein the milestone relates to a status of the corresponding loan...segmenting the loan portfolio based on the at least one characteristic assigned to each loan...determining planned collections for each loan for the selected time of assessment...determining actual collections for each loan for the selected time period of assessment...populating a spreadsheet identifying a current milestone and a cumulative variance between planned collections and actual collections at the current milestone for the loan...determining a contribution of a portfolio segment to an overall cumulative loan portfolio variance."

Tarter does not describe nor suggest a method for assessing a loan portfolio as recited in Claim 1. Specifically, Tarter does not describe or teach identifying a milestone for each loan included within a portfolio at a selected time of assessment or segmenting a loan portfolio based on at least one characteristic assigned to each loan. Rather, Tarter describes at col. 11, lines 40-44, capturing, by a finance provider, all on-line transactions in a system as they are originated by service providers. Specifically, Tarter describes accessing information regarding insurance claims and accounts receivable held by the service provider. The finance provider then decides whether to purchase the claims or accounts receivable based on payment histories and creditworthiness of a payor to the claim. Accordingly, in contrast to

the presently claimed invention, the claims and accounts receivable are identified based on an overall credit history of the payor, and are not identified based upon a milestone that represents a status of the claim. Moreover, in contrast to the presently claimed invention, the claims and accounts receivable are not segmented based upon a characteristic of the claim. Therefore, Tarter does not describe nor teach identifying a milestone for each loan included within a portfolio at a selected time of assessment or segmenting a loan portfolio based on at least one characteristic assigned to each loan. Applicants submit that by merely describing a process that selects an insurance claim or account receivable for purchase does not describe nor teach a process that includes identifying a milestone for each loan included within a portfolio at a selected time of assessment or segmenting a loan portfolio based on at least one characteristic assigned to each loan.

Further, Tarter does not describe or teach populating a spreadsheet identifying a current milestone and a cumulative variance between planned collections and actual collections at a milestone for a loan or determining a contribution of a portfolio segment to an overall cumulative loan portfolio variance. Rather, Tarter describes at col. 10, lines 63-67, tracking the receipt of payments, aggressively pursuing unreceived payments, and reconciling claims when payment is received. Specifically, Tarter merely describes a system that tracks payments for the finance provider. Applicants submit that by merely describing a process of tracking and reconciling payments does not describe nor teach a process that includes populating a spreadsheet identifying a current milestone and a cumulative variance between planned collections and actual collections at a milestone for a loan or determining a contribution of a portfolio segment to an overall cumulative loan portfolio variance. Accordingly, for at least the reasons given above, Applicants respectfully submit that Claim 1 is patentable over Tarter.

Claims 2-4 depend, directly or indirectly, from independent Claim 1 which is submitted to be in condition for allowance. When the recitations of Claims 2-4 are considered in combination with the recitations of Claim 1, Applicants submit that dependent Claims 2-4 are also patentable over Tarter.

Claim 5 recites a database for a variance tracking system, wherein the database comprises a memory storage having data stored therein, and the data comprises "at least one characteristic associated with each of a plurality of loans included within a loan portfolio,

wherein the loan portfolio is segmented based on the at least one characteristic assigned to each loan...a milestone status for each of the plurality of loans, wherein the milestone relates to a status of the corresponding loan...planned payments for each loan...actual payments for each loan...indexes of time associated with each planned payment and with each actual payment...a variance between each planned payment and each actual payment...a contribution of each portfolio segment to an overall cumulative loan portfolio variance.”

Tarter does not describe nor suggest a database for a variance tracking system as recited in Claim 5. Specifically, Tarter does not describe or teach a database for a variance tracking system including data that includes at least one characteristic associated with each of a plurality of loans included within a loan portfolio, wherein the loan portfolio is segmented based on the at least one characteristic assigned to each loan or a milestone status for each of the plurality of loans, wherein the milestone relates to a status of the corresponding loan. Rather, Tarter describes at col. 11, lines 40-44, capturing, by a finance provider, all on-line transactions in a system as they are originated by service providers. Specifically, Tarter describes a server that accesses information regarding insurance claims and accounts receivable held by the service provider. The finance provider then decides whether to purchase the claims or accounts receivable based on payment histories and creditworthiness of a payor to the claim. Accordingly, in contrast to the presently claimed invention, the claims and accounts receivable are identified by the server based on an overall credit history of the payor, and are not identified based upon a milestone that represents a status of the claim.

Moreover, in contrast to the presently claimed invention, the claims and accounts receivable are not segmented based upon a characteristic of the claim. Therefore, Tarter does not describe nor teach a database for a variance tracking system including data that includes at least one characteristic associated with each of a plurality of loans included within a loan portfolio, wherein the loan portfolio is segmented based on the at least one characteristic assigned to each loan or a milestone status for each of the plurality of loans, wherein the milestone relates to a status of the corresponding loan. Applicants submit that by merely describing server that selects an insurance claim or account receivable for purchase does not describe nor teach a database for a variance tracking system including data that includes at least one characteristic associated with each of a plurality of loans included within a loan portfolio, wherein the loan portfolio is segmented based on the at least one characteristic

assigned to each loan or a milestone status for each of the plurality of loans, wherein the milestone relates to a status of the corresponding loan.

Further, Tarter does not describe or teach a database for a variance tracking system including data that includes a variance between each planned payment and each actual payment or a contribution of each portfolio segment to an overall cumulative loan portfolio variance. Rather, Tarter describes at col. 10, lines 63-67, tracking the receipt of payments, aggressively pursuing unreceived payments, and reconciling claims when payment is received. Specifically, Tarter merely describes a system that tracks payments for the finance provider. Applicants submit that by merely describing a system that tracks and reconciles payments does not describe nor teach a database for a variance tracking system including data that includes a variance between each planned payment and each actual payment or a contribution of each portfolio segment to an overall cumulative loan portfolio variance. Accordingly, for at least the reasons given above, Applicants respectfully submit that Claim 5 is patentable over Tarter.

Claim 6 recites a computer program for controlling operation of a computer to determine variance in a loan portfolio, each loan having at least one characteristic assigned thereto, wherein the computer program is executable to control the computer to "associate each loan in the portfolio with one of a plurality of milestones, wherein the milestone relates to a status of the corresponding loan...segment the loan portfolio based on the at least one characteristic assigned to each loan...determine cumulative planned collections for each loan for a selected time of assessment...determine cumulative actual collections for each loan for the selected time period of assessment...determine a cumulative variance for each loan for the selected time period of assessment based on the cumulative planned collections and cumulative actual collections...determine a contribution of each portfolio segment to an overall cumulative loan portfolio variance."

Tarter does not describe nor suggest a computer program as recited in Claim 6. Specifically, Tarter does not describe or teach a computer program that is executable to control a computer to associate each loan in a portfolio with one of a plurality of milestones, wherein the milestone relates to a status of the corresponding loan or segment the loan portfolio based on at least one characteristic assigned to each loan. Rather, Tarter describes at col. 11, lines 40-44, capturing, by a finance provider, all on-line transactions in a system as

they are originated by service providers. Specifically, Tarter describes a server that accesses information regarding insurance claims and accounts receivable held by the service provider. The finance provider then decides whether to purchase the claims or accounts receivable based on payment histories and creditworthiness of a payor to the claim. Accordingly, in contrast to the presently claimed invention, the claims and accounts receivable are identified by the server based on an overall credit history of the payor, and are not identified based upon a milestone that represents a status of the claim. Moreover, in contrast to the presently claimed invention, the claims and accounts receivable are not segmented based upon a characteristic of the claim. Therefore, Tarter does not describe nor teach a computer program that is executable to control a computer to associate each loan in a portfolio with one of a plurality of milestones, wherein the milestone relates to a status of the corresponding loan or segment the loan portfolio based on at least one characteristic assigned to each loan. Applicants submit that by merely describing server that selects an insurance claim or account receivable for purchase does not describe nor teach a computer program that is executable to control a computer to associate each loan in a portfolio with one of a plurality of milestones, wherein the milestone relates to a status of the corresponding loan or segment the loan portfolio based on at least one characteristic assigned to each loan.

Further, Tarter does not describe or teach a computer program that is executable to control a computer to determine a cumulative variance for each loan for a selected time period of assessment based on a cumulative planned collections and cumulative actual collections or determine a contribution of each portfolio segment to an overall cumulative loan portfolio variance. Rather, Tarter describes at col. 10, lines 63-67, tracking the receipt of payments, aggressively pursuing unreceived payments, and reconciling claims when payment is received. Specifically, Tarter merely describes a system that tracks payments for the finance provider. Applicants submit that by merely describing a system that tracks and reconciles payments does not describe nor teach a computer program that is executable to control a computer to determine a cumulative variance for each loan for a selected time period of assessment based on a cumulative planned collections and cumulative actual collections or determine a contribution of each portfolio segment to an overall cumulative loan portfolio variance. Accordingly, for at least the reasons given above, Applicants respectfully submit that Claim 6 is patentable over Tarter.

Claims 7-10 depend, directly or indirectly, from independent Claim 6 which is submitted to be in condition for allowance. When the recitations of Claims 7-10 are considered in combination with the recitations of Claim 6, Applicants submit that dependent Claims 7-10 are also patentable over Tarter.

Claim 11 recites a variance tracker system for tracking variance in a loan portfolio, wherein the system comprises "a database comprising a memory storage having data stored therein, said data comprising a milestone status for each of a plurality of loans within the loan portfolio, at least one characteristic assigned to each loan, planned payments for each loan, actual payments for a plurality of loans, and indexes of time associated with each planned payment and with each actual payment...a processor coupled to said database, said processor programmed to...associate each loan in the portfolio with one of a plurality of milestones, wherein each milestone relates to a status of a corresponding loan...segment the loan portfolio based on the at least one characteristic assigned to each loan...determine cumulative planned collections each loan for a selected time of assessment...determine cumulative actual collections for each loan for the selected time period of assessment...determine a cumulative variance for each loan for the selected time period of assessment based on the cumulative planned collections and cumulative actual collections...determine a contribution of each portfolio segment to an overall cumulative loan portfolio variance."

Tarter does not describe nor suggest a variance tracker system as recited in Claim 11. Specifically, Tarter does not describe or teach a variance tracker system having a processor configured to associate each loan in a portfolio with one of a plurality of milestones, wherein each milestone relates to a status of a corresponding loan or segment the loan portfolio based on at least one characteristic assigned to each loan. Rather, Tarter describes at col. 11, lines 40-44, capturing, by a finance provider, all on-line transactions in a system as they are originated by service providers. Specifically, Tarter describes a server that accesses information regarding insurance claims and accounts receivable held by the service provider. The finance provider then decides whether to purchase the claims or accounts receivable based on payment histories and creditworthiness of a payor to the claim. Accordingly, in contrast to the presently claimed invention, the claims and accounts receivable are identified by the server based on an overall credit history of the payor, and are not identified based upon a milestone that represents a status of the claim. Moreover, in contrast to the presently claimed invention, the claims and accounts receivable are not segmented based upon a

characteristic of the claim. Therefore, Tarter does not describe nor teach a variance tracker system having a processor configured to associate each loan in a portfolio with one of a plurality of milestones, wherein each milestone relates to a status of a corresponding loan or segment the loan portfolio based on at least one characteristic assigned to each loan. Applicants submit that by merely describing server that selects an insurance claim or account receivable for purchase does not describe nor teach a variance tracker system having a processor configured to associate each loan in a portfolio with one of a plurality of milestones, wherein each milestone relates to a status of a corresponding loan or segment the loan portfolio based on at least one characteristic assigned to each loan.

Further, Tarter does not describe or teach a variance tracker system having a processor configured to determine a cumulative variance for each loan for a selected time period of assessment based on a cumulative planned collections and cumulative actual collections or determine a contribution of each portfolio segment to an overall cumulative loan portfolio variance. Rather, Tarter describes at col. 10, lines 63-67, tracking the receipt of payments, aggressively pursuing unreceived payments, and reconciling claims when payment is received. Specifically, Tarter merely describes a system that tracks payments for the finance provider. Applicants submit that by merely describing a system that tracks and reconciles payments does not describe nor teach a variance tracker system having a processor configured to determine a cumulative variance for each loan for a selected time period of assessment based on a cumulative planned collections and cumulative actual collections or determine a contribution of each portfolio segment to an overall cumulative loan portfolio variance. Accordingly, for at least the reasons given above, Applicants respectfully submit that Claim 11 is patentable over Tarter.

Claims 12-15 depend, directly or indirectly, from independent Claim 11 which is submitted to be in condition for allowance. When the recitations of Claims 12-15 are considered in combination with the recitations of Claim 11, Applicants submit that dependent Claims 12-15 are also patentable over Tarter.

For at least the reasons set for above, Applicants respectfully request that the Section 102 rejection of Claims 1-15 be withdrawn.

Newly added Claim 16 recites a method according to Claim 1 "wherein the at least one characteristic assigned to each loan including real estate secured, other collateral secured, and unsecured."

Claim 16 depends from independent Claim 1, which is submitted to be patentable over Tarter. When the recitations of Claim 16 are considered in combination with the recitations of Claim 1, Applicants submit that Claim 16 likewise is patentable over Tarter.

Moreover, Applicants submit that, as discussed above, Tarter does not describe or suggest each loan in a loan portfolio having at least one characteristic assigned thereto. Applicants further submit that Tarter does not describe or suggest each loan in a loan portfolio having at least one characteristic assigned thereto, wherein the at least one characteristic including real estate secured, other collateral secured, and unsecured, as is recited in Claim 16. Accordingly, for the reasons given above, Applicants submit that Claim 16 is patentable over Tarter.

In view of the foregoing amendments and remarks, all the claims now active in this application are believed to be in condition for allowance. Reconsideration and favorable action is respectfully solicited.

Respectfully Submitted,



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